



Winston Hickox
Secretary for
Environmental
Protection



Gray Davis
Governor

MINUTES OF
REGULAR MEETING
Thursday and Friday, July 10-11, 2003
REGIONAL WATER QUALITY CONTROL BOARD

Thursday, July 10, 2003, 8:30 a.m.

Chairman Bruce Daniels called the meeting of the Central Coast Regional Water Quality Control Board to order at 8:30 a.m. on July 10, 2003, in the Conference Room of the Central Coast Regional Board Office, 895 Aerovista Place, Suite 101, San Luis Obispo, California.

1. Roll Call.....Executive Assistant Carol Hewitt

Board Members Present:

Chairman Bruce Daniels
Vice Chair Jeffrey Young
Leslie Bowker
John Hayashi
Russell Jeffries
Daniel Press
Marco Rizzo
Gary Shallcross
Donald Villeneuve

2. Introductions.....Executive Officer Roger Briggs

Executive Officer Roger Briggs introduced staff and asked all interested parties who wished to comment to fill out testimony cards and submit them. Mr. Briggs

announced that Mr. Gary Carlton, State Board Liaison, is unable to attend the meeting today or tomorrow. There is one Supplemental Sheet for Item #4.

3. Public Forum.....Chair Daniels

- David Nelson/Resident, Morro Bay raised concerns about once-through cooling systems and felt there is an apparent agency rush to push these systems through quickly. Mr. Briggs responded by saying the Duke Energy Morro Bay permit is scheduled for Board consideration at the December

meeting, so there is a lot of time for comments by anyone. Mr. Briggs pointed out that the Board has already provided a multitude of opportunities for discussion of this item, including two dedicated workshops in Morro Bay, and multiple status reports on other Board agendas.

4. PG&E Diablo Canyon Power Plant, San Luis Obispo County.....Order No. 2003-0009
[Michael Thomas 805/542-4623]

A transcript of the entire hearing is available at the Regional Board office, so these minutes are very brief.

The Hearing was conducted according to Public Notice previously published and distributed on this item.

Each party was allowed a total of 50 minutes for direct testimony, cross-examination and rebuttal arguments. A separate five minutes were allocated for closing statements. Each party was allowed to cross-examine each party's respective witnesses. In this hearing four parties participated including the Regional Board, PG&E, Mother's for Peace/Earthcorp and Sierra Club. Members of the public were provided three minutes to present their oral comments. Board Members asked many questions throughout the hearing.

Regional Board Chair Bruce Daniels read an introductory opening statement and swore in all speakers and participants in the hearing. Jennifer Soloway, State Board staff counsel, presented legal testimony and arguments. Ms. Soloway presented the legal context for the hearing with respect to Section 316b of the Clean Water Act, U.S. EPA precedent, and the state's Thermal Plan.

Water Resource Control Engineer, Michael Thomas, presented Regional Board staff direct and rebuttal testimony. Mr. Thomas summarized background information and the biological impacts resulting from the once-through cooling water system. Regarding alternatives to address entrainment impacts, Mr. Thomas discussed the cost and feasibility of closed cooling systems (dry cooling, cooling towers, etc.), and presented evidence that the costs of closed cooling systems are wholly disproportionate to the benefit to be gained and that there are major physical and technical obstacles to implementing such closed cooling systems at DCPD based on independent evaluations. Regarding alternatives to address thermal effects, Mr. Thomas presented information on the cost and feasibility of an offshore discharge structure and power plant operational changes. Mr. Thomas concluded that there are no reasonable alternatives to reduce thermal effects. Staff summarized its testimony, and emphasized that its testimony is based on independent evaluations and substantial evidence in the record.

(Chair Daniels announced a break at 10:55 a.m. The meeting reconvened at 11:10 a.m.)

For PG&E: Karl Lytz, Attorney, summarized PG&E's testimony, recommended that the Regional Board adopt the NPDES permit for DCPD as proposed.

(Chair Daniels announced a lunch break at 12:45 p.m. The meeting reconvened at 2:00 p.m.)

For Mother's for Peace/Earthcorp: Jill Zamek, Mother's for Peace; Don May, and Rimmon Fay,

Earthcorp. Recommended that the Regional Board not adopt the proposed NPDES permit.

For Sierra Club: Pete Wagner said CCAMP monitoring is good but recommended the Regional Board require continued receiving water monitoring in the NPDES permit, although it could be scaled back from historic levels. The easement property should be appraised, and settlement money should be designated to marine reserves now.

The following members of the public spoke at the Hearing:

John Stevens
Ross Pepper
Jane Swanson
David Nelson
Hugh Thomas, Port San Luis Commerical Fishing Association

(Chair Daniels announced a break at 3:25 p.m. The meeting reconvened at 3:40 p.m.)

Bill James, Commerical Fisherman
James Work, Morro Bay Commerical Fishing
Guy Grundmeier, Port San Luis Commerical Fishing Association
Deborah Johnston, California Fish and Game
Henriette Groot, Sierra Club

The Board directed staff to prepare a letter to Department of Fish and Game Director Rob Hight regarding DFG's testimony and how unhelpful it was.

Professor Greg Cailliet, Moss Landing Marine Labs: Independent scientist to the Regional Board. Answered questions from Board members and various parties.

Professor Pete Raimondi, UC Santa Cruz: Independent scientist to the Regional Board. Answered questions from Board members and various parties.

Dr. Mike Foster, Moss Landing Marine Laboratories: Independent scientist to the Regional Board. Answered questions from Board members and various parties.

Ron Rimmelman, Tetra Tech: Present as an independent consultant to the Regional Board regarding cooling alternatives.

David Chapman, Stratus Consulting: Present as an independent consultant to the Regional Board regarding the economic value of biological impacts.

(Chair Daniels announced a break at 5:15 p.m. The meeting reconvened at 5:30 p.m.)

Regional Board staff, PG&E, Mother's for Peace/Earthcorps and Sierra Club each provided concluding statements.

Board members asked a number of questions of Regional Board staff, the public, and the various designated parties. A full deliberation followed.

A full description of the Hearing is contained in the Court Reporter's transcript.

MOTION: John Hayashi moved to close the hearing to all issues except the following:

- 1) Staff to reconvene the technical working group to study the effectiveness of mitigation and to further evaluate the settlement and other potential mitigation options, including funding for marine reserves (costs, amount of reserve needed to offset entrainment impacts, etc.).
- 2) Reduce uncertainties with respect to areas in need of protection (areas/costs)
- 3) Identify the amount of money that would be part of an ACL complaint
- 4) Determine what would be involved if a CDO is reopened

SECONDED by Daniel Press. CARRIED – Unanimously (9-0)

The Chair adjourned the meeting at 6:50 p.m.

Friday, July 11, 2003, 8:30 a.m.

5. Roll Call.....Executive Assistant Carol Hewitt

Board Members Present:

Chairman Bruce Daniels
Leslie Bowker
John Hayashi
Russell Jeffries
Daniel Press
Gary Shallcross
Donald Villeneuve

Absent:

Vice Chair Jeffrey Young
Marco Rizzo

Chair Daniels expressed his gratitude to staff members for the work and materials they provide to the Board.

6. Introductions.....Executive Officer Roger Briggs

Executive Officer Briggs introduced staff and asked all interested parties who wished to comment to fill out testimony cards and submit them. Supplemental Sheets are as follows: Item #11/Low Threat Cases – Konieczny Fallow Deer Ranch and Slaughterhouse

item will be postponed. Item #14/MTBE Cases – two Supplemental Sheets. Item #17/Cal Poly State University – question and answer sheet, Item #21/ Refined Criteria for Projects Using Settlement Funds – question and answer sheet and a chart. Item #23/Grants

Ranking Process and Priorities – Supplemental Sheet.
Item #24/Storm Water Phase II Update – Supplemental

Sheet. Item #29 -- three Supplemental Sheets.

7. Approval of Minutes for May 15-16, 2003 and June 4, 2003 MeetingBoard Motion

MOTION: Russell Jeffries moved to approve the May 15-16, 2003 and June 4, 2003 minutes. **SECONDED** by John Hayashi. **CARRIED – Unanimously (7-0)** [Note: Correction made to arrival time of Daniel Press, vote count of (5-0) on Item Nos. 8 and 11 stands as recorded.]

8. Report by State Water Resources Control Board Liaison [Gary Carlton 916/341-5603] Status Report

No report.

9. Public Forum Board Direction

No commentors.

10. Uncontested Items CalendarBoard Motion

Executive Officer Briggs noted that Item Nos. 17, 18 and 22 are proposed for the consent calendar. Answers to Board member questions on Item 17 were

satisfactory. Approval of the consent calendar is recommended.

MOTION: Russell Jeffries moved to approve the proposed consent calendar. **SECONDED** by John Hayashi. **CARRIED – Unanimously (7-0)**

11. Low Threat CasesInformation/Discussion/Board Approval

Mr. Briggs recommended deferral of action on the Konieczny Fallow Deer Ranch and Slaughterhouse of Monterey County and asked the Board if they needed any more information on the item. Board member

Shallcross asked if the system could handle 2500 gallons in one day. Brad Hagemann noted that the system could adequately handle more than 2500 gallons.

12. Perchlorate CasesStatus Reports

Mr. Briggs noted that staff has provided regular reports to the Board on the two high profile sites (Olin Corporation and Whittaker Corporation). Harvey Packard, WRCE, displayed a map with contaminated well sites near Olin. The plan is to get soil cleanup at the site going by Fall of this year and groundwater

cleanup on the site by this Winter. The Board asked about sampling in the area north of the Olin site and plans for an alternate water supply for affected areas. Olin is working with the local water suppliers for an alternate water supply.

13. Petroleum Cases Status Report

[Sheila Soderberg 805/549-3592]

This is a written report.

14. MTBE Cases Status Reports

Board member Dr. Villeneuve recused himself from this item.

The Executive Officer noted that a supplemental sheet had been prepared for this item. In addition, Chevron/Texaco's attorney, Pillsbury Winthrop, submitted their July 10, 2003, letter to the Regional Board for review.

Regional Board members cautioned staff to be wary of being influenced by either party in the subject lawsuit, since the Regional Board may be included in this or future lawsuits.

Mr. Peter Chaldecott, Cambria Community Services District (CCSD), notified the Regional Board that Chevron and CCSD were going to court in fall 2003. Mr. Chaldecott also stated that the May 2000 staff report differs from the current staff report by changing the amount of water supplied from CCSD wells 1 and 3 from ½ of its total to being "supplemental." Mr. Chaldecott encouraged Regional Board staff to modify the staff report wording in future staff reports.

Board member Jeffries raised concern about California Water Service Company in Salinas shutting down wells due to a MTBE plume. He asked what was being done to isolate the source. Regional Board staff member, John Goni, reported that staff have looked at all potential sources and found no clear source. Currently staff is looking at other nearby stations as potential sources and will continue to pursue looking for the source.

- James Smith, California Water Service Company – thanked John Goni for his work in Salinas. He requested that the Board stay on top of the MTBE issue and make sure deadlines are met and information is received in a timely manner. The Board suggested the water company increase its monitoring frequency. Mr. Briggs suggested the fuel source for any standby power at the wellheads be investigated as a potential contaminant source.
- Peter Chaldecott, Cambria Community Services District – raised concern over "supplemental water" term used in the staff report and pointed out the need for water in Cambria that was emphasized by a small fire on July 4th weekend.

15. Corrective Action Plan Approvals Status Reports

These are written reports. Chair Daniels asked about the Morro Bay Fuel Dock. Since air injection will be used, has Morro Bay received approval from the Air Pollution

District? Dr. Liu reported that the issue is being worked on at this time.

16. Enforcement Report Status Report

This is a written report. Board member Jeffries asked about Pacific Grove. Mr. Briggs noted that staff sent a letter to Pacific Grove with a response deadline of September. Board member Jeffries asked about the City

of Hollister. Chris Adair reported that Hollister is meeting their timelines and a report will be available at the September meeting.

(Chair Daniels announced a break at 9:40 a.m. The meeting reconvened at 9:50 a.m.)

24. Storm Water Phase II UpdateStatus Report/Board Direction

Storm Water program manager Jennifer Bitting gave an update on the status of Phase II Municipal Separate Storm Sewer Systems (MS4s). Her presentation included the progress of permit holders in Region 3, the concerns of the permit holders, and an item for Board action. The permit requires the Regional Board to designate the non-traditional MS4s listed in Attachment 3 (State and Federal facilities):

- 1) Before the 5-year permit term is over
- 2) In no less than 180 days

Staff recommended that the Regional Board designate the MS4s listed in Attachment 3 to obtain permit coverage on or before April 30, 2004 (365 days after the date of permit adoption).

MOTION: Daniel Press moved to approve the designation of the MS4s as listed in Attachment 3. SECONDED by Donald Villeneuve. CARRIED – Unanimously (7-0)

(Items 19 and 20 are combined)

19. Blueprint for Expenditure of the Guadalupe Settlement Fund.....Board Discussion

20. Watershed Coordinator Position for Santa Barbara County, Guadalupe Settlement Fund..... Board Direction

John Robertson, supervisor of the Southern Watershed Unit for the Central Coast Regional Water Quality Control Board, presented a conceptual spending plan or blueprint for the expenditure of Guadalupe Settlement funds. The Blueprint focuses on water quality priorities for nonpoint source related issues. The priorities problems are determined through water quality monitoring results, Guadalupe settlement fund spending criteria, individual watershed management plans, and Central Coast Region's watershed management initiative. All of these priorities point to a need for a more concerted effort in the Santa Maria and Oso Flaco Watersheds. The priority projects outlined in the Guadalupe Fund Blueprint include implementation of water quality improvement projects in Santa Maria and Oso Flaco, monitoring, creating an area watershed coordinator position, and permit streamlining for best management practice implementation. The Guadalupe fund will provide a portion of the financial support for these projects, with the expectation of leverage funding from other sources. Mr. Robertson indicated each project will be brought back before the Regional Board for final comment and approval.

Julia Dyer, the nonpoint source staff member covering the Southern Watershed unit area, gave a PowerPoint presentation regarding the Watershed Coordinator component of the Guadalupe Fund blueprint. The

Watershed Coordinator position will cover Southern San Luis Obispo and Santa Barbara Counties. This position is the cornerstone of the Guadalupe settlement fund blue print. The Monterey Bay National Marine Sanctuary has set a successful model for the unitization of watershed coordinators in the upper two thirds of the Central Coast Region. The lack of a watershed coordinator in Southern San Luis Obispo and Santa Barbara Counties represents a huge gap in nonpoint source program implementation. The environmental issues confronting agriculture include the expiration and ensuing development of a new agricultural waiver, development of Total Maximum Daily Loads, and threat of litigation underscore the need for such a position to facilitate compliance with water quality regulations. The watershed coordinator would assist agriculturist in meeting the requirements set forth by current and upcoming regulations for water quality.

Staff made the recommendation to the Board for the approval of the blueprint for the expenditure of the Guadalupe settlement funds and direction to proceed with Santa Barbara County Stakeholders to develop a detailed scope of work and budget for the watershed coordinator. The detailed description would then be brought back to the Board at the October meeting for final approval.

Regional Board member Daniel Press asked John Robertson about the amount of proposals that would be expected for the settlement fund and what type of criteria would be used to rank them. Would this be like the traditional open competitive process?

John Robertson replied that staff would define the scope and then send out a request for proposals, but staff is not at that level of detail yet.

Roger Briggs reminded the group that John made reference to the upcoming EO report as far as the budget situation. That EO Report also discusses the hiatus on the Guadalupe WWTP improvement project. Mr. Briggs asked if the blueprint would take away from money earmarked already for funding.

Mr. Robertson replied that the blueprint would only use unencumbered money.

Mr. Press asked for more detail on the order or sequence for hiring of the watershed coordinator, specifically, if the Central Coast Wine Growers Association (CCWGA) will put up money first and then matching funds would follow or the other way around? He also suggested that the coordinator should be there full time and long term to keep the position stable.

Julia Dyer responded that she is between a rock and a hard place because stakeholders want detail. Yet, stakeholders want to be included in developing the detail. With that in mind, she indicated her initial thoughts are for the Guadalupe Settlement Fund to provide roughly 60% of the funding for five years to get things rolling, with leveraging funds completing the funding picture for the initial five years and beyond the initial scope. She indicated that commodity groups have voiced the opinion that they don't have money to get things rolling.

Jennifer Soloway also recommended that a caveat or contingency plan be added to the contract, which would require the stakeholders to secure a certain amount of leveraged funds by a certain time period before more settlement funds would be released.

Mr. Press asked if the CCWGA will feel like their issues should be a priority because they have placed themselves on the line first? Ms. Dyer indicated that CCWGA's role would be to provide a physical housing for the coordinator and as a money funnel for the contract dollars.

Regional Board member John Hayashi asked who will the Coordinator report to and who will be represented on

the coalition. He also asked if the person would answer to the Regional Water Quality Control Board ultimately and inquired who will appoint the coalition?

Ms. Dyer indicated the coordinator will answer to the coalition and the coalition would be comprised of various commodity groups and stakeholders throughout the project area including the Regional Water Quality Control Board. They would answer to the Regional Board through the contract. The coalition will be comprised of all stakeholders that would like to be involved and a comprehensive list of these stakeholders is under development.

Mr. Briggs mentioned that there is page-long duty statement in the staff report. Mr. Briggs also asked if the scope had been compared to the sanctuary model and their experience to ensure a reasonable scope?

Julia Dyer agreed that the duty statement is daunting and quite detailed. There is enough work in the project area for four or five positions. The duty statement was taken from the sanctuary model contracts. The plan is to comprehensively outline what needs to be done and then proceed in bite size portions.

Regional Board member Bruce Daniels wondered if the develop and management of contracts for the coordinator would also include management of Prop 13 contracts and so forth?

Julia Dyer responded that Regional Board staff is legally obligated to manage those contracts in-house and therefore the coordinator would not be involved with these types of contracts. John Robertson mentioned that the coordinator would also be a grant applicant to achieve leveraging in the other pots of money.

Mr. Daniels asked about the probability of the leveraged funding commitments.

Julia Dyer replied that between now in October that type of detail would be outlined and presented to the Regional Board.

Mr. Daniels wanted more detail regarding the definition of agriculture. The staff report specifies that agriculture would be defined as irrigated row crops, why isn't grazing included in the scope of work? Fecal coliforms are a concern in many watersheds in the project area.

Ms. Dyer said that the coordinator would work with all stakeholders in each watershed. The staff report definition reflects the developing agricultural waiver's conditions. No land use type would be excluded and

priority land uses will be identified on a watershed-by-watershed basis.

Regional Board member Russ Jeffries was surprised that the Farm Bureau did not take the lead role and inquired what accountability existed in the case that CCWGA does not choose to pursue the scope? He indicated he doesn't want to see the settlement money just provide someone a job. Accountability is going to need to be a critical part of this project. He also pointed out that the sanctuary efforts are not funded by the Regional Board.

Mr. Robertson emphasized that staff treats the settlement money as carefully as if it were their own. Staff's desire is to see value and results and the concerns of the Board reflect concerns of the staff. In the end the bottom line is about water quality improvement.

Mr. Press indicated he's looking for water quality improvement accomplishments.. Perhaps it would be a benefit to bring in other watershed coordinators to provide tangible evidence of what this type of work can do.

Mr. Daniels added that management plans are key and if the plan is poor, it's doomed. He inquired about the status of the current plans and if the Board will see them. He indicated he would like to hear back on the watershed documents once they are completed.

Alison Jones, Regional Board staff, clarified that Regional Board grants to the Farm Bureau and the UC Cooperative Extension are used to fund watershed coordinator efforts in the northern portion of the region.

Mr. Hayashi asked if it is cast in stone to use the CCWGA as the lead organization. Where is the office for the CCWGA?

Ms. Dyer said that we are not cast in stone for any one group, but CCWGA did step up to the plate when nobody else did. The CCWGA is located in Santa Maria. Mr. Robertson added that the Farm Bureau is not comfortable as serving as the lead role.

Gary Shallcross asked how would the watershed coordinator be perceived from the farming community, especially since the Farm Bureau is not taking the lead?

Vince Ferrante of Teixeira Farms and a grower in the Oso Flaco watershed, expressed that he has a personal interest in this project and agriculturists need someone who they can turn to and using the seed money to do so is important. He indicated farmer's support the process and are not worried about who the leader is.

John Hayashi asked Mr. Ferrante if he is comfortable with how staff has been working with the growing community and if Regional Board staff has been given a tour of his ranch. Mr. Ferrante answered yes to both.

Richard Quandt of the Grower Shipper Vegetable Association is in support of staff's recommendations. He also indicated the need for a dedicated staff member to be involved to relieve others from this work. Mr. Quandt urged the Board to move forward.

Victoria LeBlanc of CCWGA is in support of the recommendation. Environmental regulatory pressure is causing agriculture to lead the efforts. CCWGA is not grabbing the lead to be self-serving. The coalition will be lead by several commodity groups. CCWGA has already applied for funding from other sources. Water quality groups are already happening which underscores the need for coordinated efforts.

Mr. Shallcross thanked the CCWGA for stepping up to the pate.

Mike Winn, President of the Nipomo CSD asked to be included on the program and encouraged staff to look at having the same boundaries of the Santa Maria River Watershed Basin as on planning maps. He also acknowledged that urban sources of pollution are an impact and would like to be included as a stakeholder.

John Wallace of John Wallace and Associates explained the need to move toward in watershed management activities, but also requested the Board not leave out other priority projects such as those not chosen in the first phase of the Guadalupe funding.

June Van Wingerden of the Nursery and Flower Grower's Association mentioned that current plans have been working well, but indicated it has been a struggle without a watershed coordinator and expressed a need for help.

Jan Evans of the Nursery and Flower Grower's Association supports the recommendation, understanding that this is a concept; yet the devil is in the details, and that the flower growers would like to participate in developing the concept.

Jodi Issacs of the Dunes Center has been involved with the management plans. She very much encouraged the Regional Board to accept the staff's recommendation as there is a need for a go-to person for agriculture. The Dunes Center has been serving part of this role, but water quality is not their main focus.

Ken Doty of the Santa Barbara County Farm Bureau spoke in support of the recommended action. He indicated the County Farm Bureau is interested conceptually in a coalition, as they understand the need to be part of the process, but they are not ready to start fronting the funding for this position. The Bureau has

concerns due to the money and the waiver and would like to take a wait-and-see position.

Mr. Shallcross asked Mr. Doty if he has ever talked to other farm bureaus about these efforts. Mr. Doty replied that he hadn't spoken to them directly.

MOTION: Daniel Press moved to approve staff recommendations for Items 19 and 20. SECONDED by Donald Villeneuve. CARRIED – Unanimously (7-0)

21. Refined Criteria for Projects Using Settlement Funds from the PG&E Backflushing Settlement

Board Direction

Board member Jeffries recused from the item. Alison Jones of Regional Board staff presented refined specific criteria for two of the three supplemental environmental projects to be funded by Pacific Gas and Electric Company under a consent judgment settling alleged violations of their Moss Landing power plant permit. The Board had previously concurred with the consent judgment at the December 13, 2002 meeting. The consent judgment establishes three funds and contains general criteria for the use of the three funds. The consent judgment also contains provision for Board approval of more specific criteria for two of the three funds, the Nonpoint Source Projects Fund (\$2.85 million), and the Nonpoint Source Monitoring Fund (\$950,000). Staff presented proposed criteria to the Board at the March 21, 2003 meeting. The Board requested further clarification and some specific changes

to the criteria. The Board heard additional public testimony on this item at its May meeting in Watsonville.

Comment was received from Linda Horning and Dr. Peggy Shirrel of Moss Landing Harbor District. Ms. Horning said that the harbor district desired to correct statements made at the last Board meeting and stated that the harbor district's monitoring was not designed to reduce requirements. She asked if the harbor district could apply for the funds and when staff responded in the affirmative, stated that the harbor district would apply for funds and that the technical advisory committee advising on the funds should include a marine scientist. Dr. Shirrel asked that the Board review the harbor district's monitoring proposal.

MOTION: Daniel Press moved to approve the refined criteria for the Nonpoint Source Projects Fund and the Nonpoint Source Monitoring Fund. SECONDED by Gary Shallcross. CARRIED – Unanimously (6-0) Note: Russ. Jeffries recused.

25. Timber Harvest RegulationStatus Report/Board Direction

Chair Daniels requested that the four additional criteria designated in the threatened and impaired section of the Forest Practice Rules be added to the five waivers under consideration, and asked that the Monitoring and Reporting Programs be brought back for consideration as part of the proposed waivers for the next Board meeting. Other suggested changes to the timber harvest waiver

template were deferred until the September Board meeting. Interested parties that spoke on the issue were:

- Jodi Frediani, Citizens for Responsible Forest Management
- Kevin Collins, Lompico Watershed Conservancy

(Chair Daniels announced a lunch break at 12:45 p.m. The meeting reconvened at 1:50 p.m.)

29. Executive Officer's Report..... Information/Discussion

Executive Officer Briggs noted the supplemental sheet that includes the status of the Guadalupe Waste Water Treatment Plant Improvement Project. The Regional Board staff wrote a letter to the City of Guadalupe stating that it would be appropriate to have a hiatus in the funding until certain criteria were met as outlined in the supplemental sheet.

- Carolyn Galloway-Cooper, Guadalupe City Administrator – is the new City Administrator and is working with a new City Council. She reaffirmed her commitment to following rules and guidelines for grants and all fiscal policies. No elected officials will be project directors under the new city government. The City Administrator will be project director for grants. The City would like a new reputation of credibility. She asked the Board for funding help for the improvements needed for the wastewater treatment plant. The City has already committed funds for sludge removal that is ongoing. She is preparing the Grand Jury response at this time and will provide the Board with a copy upon completion.
- Lupe Alvarez, City Council member -- assured the Board that he intends to work with them for the betterment of the City. He noted that the City's redevelopment funds will go to the rehabilitation of commercial buildings in the downtown area. He emphasized the need for the Board's assistance for funding.
- Joe Talaugon, City Council member – asked the Board to view the City in a new and different light. He noted that the wastewater treatment plant project is one of the positive changes that will take place. The City is moving in the right direction and will follow all laws and regulations to make things right.
- John Wallace, John Wallace & Associates, - discussed scheduling for the wastewater treatment plant project. Pond sludge is expected to be removed in about 20 days from now. He noted that the project is extremely beneficial to the City for the following reasons: 1) existing facility is aged and in need of substantial repair. The current system will be replaced with a simpler type of system (advanced integrated pond system). It requires a lower level of sophistication for operator attention and will save about \$50,000-\$70,000 in operating costs. The bids are due July 17 and we have 30 days to award the project. The City needs the release of the frozen

Regional Board funds to award the project because the ponds must be completed before the winter rainy season. He believes \$900,000-\$1,000,000 will be needed to complete construction of the project.

Mr. Jeffries said he would like to see the City audit when it is completed. The City will hire a civil engineer by the end of August. The City Administrator will propose using redevelopment agency funds to the City Council to begin the wastewater treatment plant project on July 22 or August 8. Certifications are in place for employees. The official response will be submitted the week of July 22.

- Steve Tanaka, Wallace and Associates – The City will remove about 200 dry tons of sludge. The material will be dewatered on site and transferred to Engle and Gray for composting.

Counsel Jennifer Soloway reported that the Board pays invoices in arrears, so progress payments are satisfactory, and there is apparently \$800,000 to \$900,000 left in the contract.

Mr. Briggs noted Supplemental Sheets for the Desal Task Force item and for the Los Osos Community Services District item.

Water Resources Control Engineer Mike Higgins, lead Regional board staff member for the Carpinteria Greenhouse Priority Project, provided a brief PowerPoint presentation highlighting the success of efforts to eliminate irrigation wastewater discharges from greenhouses in the targeted watersheds (Arroyo Paredon, Franklin, and Santa Monica) of the Carpinteria area. Mr. Higgins noted that discharges were eliminated from all but one of the more than fifty greenhouses in the targeted watersheds. He also discussed follow up efforts for greenhouses found to be discharging by Mr. Drew Bohan of ChannelKeeper. Mr. Bohan provided this information to the Board at the December 2002 Regional Board meeting. Mr. Higgins said that while there were still some housekeeping-related discharges at a small number of greenhouses, the irrigation wastewater discharges had been eliminated at all but one facility, with the remaining discharge on a time schedule for elimination by Fall 2003. Mr. Higgins also stated that the non-irrigation wastewater discharges are relatively minor in both volume and nitrate contribution, relative to the eliminated irrigation wastewater discharges. Mr. Higgins concluded his presentation by discussing creek sampling results from the targeted watersheds. He indicated that sampling results show that nitrate

discharges continue in the watersheds despite the near total elimination of greenhouse irrigation wastewater discharges. Mr. Higgins stated that the sampling results and locations suggest that the remaining nitrate-rich discharges are from nonpoint sources. He further suggested that the scope of the priority project be redirected towards these discharges and that these discharges be addressed in a manner consistent with forthcoming agricultural waiver policy.

Mr. Drew Bohan, ChannelKeeper, expressed his appreciation to Board staff for their efforts in eliminating discharges to date. He also stated that challenges remain and that he believed there were still discharges at some greenhouse facilities. Mr. Bohan showed PowerPoint slides of the locations of some of the remaining discharges within the targeted watersheds. He also indicated he looked forward to Regional Board staff's

follow up greenhouse presentation at the October 2003 Board meeting in Santa Barbara.

Mr. Roger Briggs indicated that he had spoken with Jan Evans, Executive Director of the Santa Barbara County Flower Grower and Nursery Association, who requested that Mr. Briggs convey her sentiments regarding the priority project effort over the last two years. Ms. Evans expressed her satisfaction with the outcome of effort to eliminate greenhouse irrigation wastewater discharges. She also stated that the level of success achieved through the priority project effort is a reflection of what can be accomplished when a regulatory agency works together with an industry group in a cooperative fashion.

23. Grants Ranking Process and Priorities [Gerhardt Hubner 805/542-4647] Board Approval

Board member Bowker recused from the item. Regional Board staff member, Gerhardt Hubner, gave a presentation describing the current status of the consolidated request for proposal, the grant ranking timeline, options/alternatives for grant ranking with advantages and disadvantages of each alternative outlined, followed by a staff recommendation to pursue Alternative 1. Three attachments that were included with the staff report for this item were also described: Regional Priority Projects and Funding Sources, Region

3 NPS Funding by Watershed, and 2003 Concept Proposals for NPS Grants.

Regional Board Member Press expressed interest in receiving copies of the proposal review score sheets, State Board guidelines for scoring proposals, and the final list of scores and prioritized ranking of proposals. Regional Board members also requested a status report be presented at the December Board meeting.

MOTION: John Hayashi moved to approve Alternative 1, with direction to staff to provide status of grants in December. Other information requested by individual Board members will be provided by staff.. SECONDED by Daniel Press. CARRIED – (5-1) Jeffries cast the no vote. [Note: Les Bowker recused.]

27. Reports by Regional Board Members..... Status Report

Chair Daniels reported on the Chairs' meeting in Sacramento. The new State Board member, Nancy Sutley, was introduced at the meeting. The State Board had an offsite and discussed a new strategy for Information Technology. A Water Quality Coordinating Committee (WQCC) meeting is being scheduled for October 30-31, 2003 in Sacramento. The meeting will begin at noon on Thursday and go until noon on Friday. A dinner is planned for Thursday evening. Board members asked Chair Daniels to address the date at the

next Chairs' meeting. They do not believe the meeting will be well attended on Oct. 30-31.

Chair Daniels also shared a letter from The California Democratic Party Environmental Caucus. It is a resolution supporting clean water infrastructure. The letter asks that the current waivers to Section 301h be eliminated because they do not want the ocean being used as a effluent dumping ground.

28. Regional Board Meeting 2003/2004 Calendar [Roger Briggs 805/541-3140] Board Action

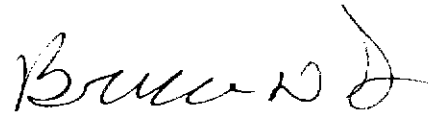
Executive Officer Briggs noted that Vice Chair Young requested that the Board consider adding more offsite or roundtable meetings to the Board calendar. Mr. Briggs suggested that if the Board does wish to add meetings that they be held on the Thursday before the regularly scheduled Board meeting. The following dates are

deleted from the proposed calendar: December 4, 2003 and December 2, 2004. Change September 3, 2004 to September 10, 2004. One offsite will be held on June 9, 2004 in lieu of June 2. A decision to have an additional offsite or roundtable meeting for 2004 will be made at a later time.

MOTION: Russell Jeffries moved to approve the 2002/2004 Regional Board Meeting Calendar with discussed changes. **SECONDED** by John Hayashi. **CARRIED** – Unanimously (7-0)

Chair Daniels adjourned the public meeting at 4:25 p.m.

The meeting was audio recorded and the minutes were reviewed by management, and approved by the Board at its September 12, 2003 meeting in Salinas, California.



Bruce Daniels, Chair